

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
Alexandria Division**

**In re:**

**SKIN LOGIC, LLC,**

**Debtor.**

**Case No. 23-11352-KHK  
Chapter 11**

**CHIEF RESTRUCTURING OFFICER'S JOINDER  
TO HARRY KAMIN'S RESPONSE TO U.S. TRUSTEE'S  
MOTION TO CONVERT OR DISMISS CHAPTER 11 CASE**

Angela Shortall (the “**CRO**”), the chief restructuring officer for BNG Group LLC (“**BNG**”), by counsel, hereby joins (the “**Joinder**”) the *Response to the U.S. Trustee's Motion to Convert or Dismiss Chapter 11 Case* filed by Harry Kamin (the “**Kamin Response**”) [Docket No. 136], and in support thereof, respectfully states as follows:

**BACKGROUND**

1. By Deed of Lease dated February 25, 2013, Skin Logic, LLC (the “**Debtor**”) entered into a lease (the “**Lease**”) to occupy the premises located at 2 Pidgeon Hill Drive, Sterling, Virginia (the “**Premises**”). On October 30, 2020, BNG acquired the Premises. The Lease, as amended and assigned, is presently by and between the Debtor and BNG.

2. The Debtor is currently in default under the Lease, both as to prepetition rent due and post-petition administrative rent due.

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3. On August 24, 2023 (the “**Petition Date**”), the Debtor filed a voluntary petition for relief under subchapter V of chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”), commencing this bankruptcy case (the “**Bankruptcy Case**”).

4. Three weeks prior to the Petition Date, on August 3, 2023, Valeria V. Gunkova (“**Ms. Gunkova**”), the Debtor’s principal, filed her own voluntary petition under chapter 11 of the Bankruptcy Code in this Court, commencing Case No. 23-11261-BFK (the “**Gunkova Case**”).

5. Ms. Gunkova holds a 50% interest in BNG, which interest is now an asset of Ms. Gunkova’s bankruptcy estate.

6. On October 26, 2024, Ms. Gunkova filed an application to employ Ms. Shortall as the chief restructuring officer of BNG [Gunkova Case, Docket No. 122], and on November 9, 2023, this Court entered an Order appointing Ms. Shortall as CRO [Gunkova Case, Docket No. 143].

7. On September 13, 2023, the Office of the United States Trustee moved for the appointment of Stephen A. Metz to serve as the chapter 11 trustee of the Debtor’s bankruptcy estate [Docket No. 34]. On September 27, 2023, this Court appointed Mr. Metz as trustee and removed the Debtor as debtor in possession.

8. On July 8, 2024, the U.S. Trustee filed the *U.S. Trustee’s Motion to Convert or Dismiss Chapter 11 Case* (the “**Conversion Motion**”) [Dkt. No. 132], after the U.S. Trustee learned that the sole offer to purchase the Debtor’s business had been withdrawn.

9. On July 26, 2024, Mr. Kamin filed the Kamin Response, asserting that the Conversion Motion be granted by converting the Debtor’s Bankruptcy Case to a case under chapter 7 of the Bankruptcy Code.

### JOINDER

10. The Kamin Response sets forth in detail a sufficient basis for conversion of the Debtor's Bankruptcy Case to a case under chapter 7, including the Debtor's inability to operate at a level sufficient to either remain current on its rent obligations under the Lease or cure the substantial default thereunder.

11. While the CRO takes no position on the factual allegations included in the Kamin Response concerning the behavior of any of the parties, the CRO, in the exercise of her fiduciary duties, joins in the request for conversion as dismissal would simply result in a continuation of the same management and operational conditions that have existed for the past nine (9) months.

12. Further supporting conversion are Ms. Gunkova's undisputed efforts to engage in spoliation of the books and records of the Debtor and of BNG. In a Memorandum Opinion entered on July 25, 2024, Judge Kenney found Ms. Gunkova's actions in this respect to be "egregious and unjustified." *See Kamin v. Gunkova*, Adv. Pro. 23-01062, Docket No. 105. Given Judge Kenney's findings, as well as Ms. Gunkova's recent motion to voluntarily dismiss the Gunkova Case [Gunkova Case, Docket No. 229], the CRO has serious concerns about the preservation of financial information in Ms. Gunkova's possession and the lack of oversight that the dismissal of this Bankruptcy Case would occasion. As a result, the CRO submits that this information should not be left to Ms. Gunkova's unfettered discretion and instead should be turned over to a chapter 7 trustee upon conversion of this Bankruptcy Case.

WHEREFORE, the CRO respectfully requests that this Court enter an Order converting the Debtor's bankruptcy to a case under chapter 7 of the Bankruptcy Code and granting such other and further relief as this Court may deem just and proper.

Dated: July 26, 2024

Respectfully submitted

/s/ Lawrence A. Katz

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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on this 26<sup>th</sup> day of July, 2024, a true and correct copy of the foregoing *Chief Restructuring Officer's Joinder to Response to the U.S. Trustee's Motion to Convert or Dismiss Chapter 11 Case* was served on all parties receiving CM/ECF notices in this case, and by U.S. Mail, first class, postage prepaid, on and on each of the parties on the attached "Service List."

/s/ Lawrence A. Katz  
Lawrence A. Katz

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